

Experts Called in for Hedge Program



The Company

The company, a leader in the specialty consumer finance industry, provides convenient options to consumers for obtaining short-term cash through a non-recourse pawn loan collateralized by personal property. The company also sells used merchandise, consisting primarily of collateral forfeited as a result of its pawn lending operations, to consumers seeking good value. Headquartered in Austin, Texas, they operate over 770 storefronts in 13 states and Mexico under a variety of brand names.

The Situation

The company was interested in beginning a hedging program due to the volatility of today's economy. Accounting for hedging transactions and programs is very complex and if not handled correctly, can result in different results than anticipated, so the company sought the advice of Bridgepoint. They wanted to ensure they got advice from someone who "had been there and done that."

The Solution

The Bridgepoint team of professionals helped the company understand the complexities of hedging transactions and served as advisors as they implemented the new hedging program to ensure the desired accounting results could be achieved. The consultation involved working with all levels of the corporation, from operational personnel to accounting and finance department staff.